

AMENDED IN ASSEMBLY MAY 3, 2010

AMENDED IN ASSEMBLY APRIL 20, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2508

Introduced by Assembly Member Caballero

February 19, 2010

~~An act to add Section 50515 to the Health and Safety Code, An act to amend Section 53545.13 of the Health and Safety Code, relating to housing.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2508, as amended, Caballero. Housing: ~~assistance activities. Infill Incentive Grant Program of 2007.~~

The Planning and Zoning Law requires each city, county, or city and county to prepare and adopt a general plan for its jurisdiction that contains certain mandatory elements, including a housing element. One part of the housing element is an assessment of housing needs and an inventory of land suitable for residential development. Existing law sets forth various classifications and definitions for purposes of determining a city or county's inventory.

~~Existing law authorizes the Department of Housing and Community Development to provide technical assistance to groups and persons with various housing needs and to administer various housing programs, including, but not limited to, programs promoting infill residential development.~~

Existing law establishes the Infill Incentive Grant Program of 2007, administered by the Department of Housing and Community

Development, a competitive grant program to facilitate the development of qualifying infill residential projects.

This bill would, upon request by a local agency, allow that agency to petition the department for ~~a reclassification~~ *an exception to the classification* of its jurisdiction under a specified provision of the Planning and Zoning Law, if that ~~classification jeopardizes its ability~~ *agency believes it is unable* to meet threshold *density* requirements for ~~infill development programs administered by the department~~ *the Infill Incentive Grant Program of 2007*. The bill would establish procedures for ~~a reclassification~~ *the exception* request.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 53545.13 of the Health and Safety Code
2 is amended to read:
3 53545.13. (a) The Infill Incentive Grant Program of 2007 is
4 hereby established to be administered by the department.
5 (b) Upon appropriation of funds by the Legislature for the
6 purpose of implementing paragraph (1) of subdivision (b) of
7 Section 53545, the department shall establish and administer a
8 competitive grant program to allocate those funds to selected
9 capital improvement projects that are an integral part of, or
10 necessary to facilitate the development of, a qualifying infill project
11 or a qualifying infill area.
12 (c) A qualifying infill project or qualifying infill area for which
13 a capital improvement project grant may be awarded shall meet
14 all of the following conditions:
15 (1) Be located in a city, county, or city and county, in which
16 the general plan of the city, county, or city and county, has an
17 adopted housing element that has been found by the department,
18 pursuant to Section 65585 of the Government Code, to be in
19 compliance with the requirements of Article 10.6 (commencing
20 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
21 Government Code.
22 (2) Include not less than 15 percent of affordable units, as
23 follows:

1 (A) For projects that contain both rental and ownership units,
2 units of either or both product types may be included in the
3 calculation of the affordability criteria.

4 (B) (i) To the extent included in a project grant application, for
5 the purpose of calculating the percentage of affordable units, the
6 department may consider the entire master development in which
7 the development seeking grant funding is included.

8 (ii) Where applicable, an applicant may include a replacement
9 housing plan to ensure that dwelling units housing persons and
10 families of low or moderate income are not removed from the low-
11 and moderate-income housing market. Residential units to be
12 replaced may not be counted toward meeting the affordability
13 threshold required for eligibility for funding under this section.

14 (C) For the purposes of this subdivision, “affordable unit” means
15 a unit that is made available at an affordable rent, as defined in
16 Section 50053, to a household earning no more than 60 percent of
17 the area median income or at an affordable housing cost, as defined
18 in Section 50052.5, to a household earning no more than 120
19 percent of the area median income. Rental units shall be subject
20 to a recorded covenant that ensures affordability for at least 55
21 years. Ownership units shall initially be sold to and occupied by
22 a qualified household, and subject to a recorded covenant that
23 includes either a resale restriction for at least 30 years or equity
24 sharing upon resale.

25 (D) A qualifying infill project or qualifying infill area for which
26 a disposition and development agreement or other project- or
27 area-specific agreement between the developer and the local agency
28 having jurisdiction over the project has been executed on or before
29 the effective date of the act adding this section, shall be deemed
30 to meet the affordability requirement of this paragraph (2) if the
31 agreement includes affordability covenants that subject the project
32 or area to the production of affordable units for very low, low-, or
33 moderate-income households.

34 (3) Include average residential densities on the parcels to be
35 developed that are equal to or greater than the densities described
36 in subparagraph (B) of paragraph (3) of subdivision (c) of Section
37 65583.2 of the Government Code, except that a project located in
38 a rural area as defined in Section 50199.21 shall include average
39 residential densities on the parcels to be developed of at least 10
40 units per acre.

1 (4) Be located in an area designated for mixed-use or residential
2 development pursuant to one of the following adopted plans:

3 (A) A general plan adopted pursuant to Section 65300 of the
4 Government Code.

5 (B) A project area redevelopment plan approved pursuant to
6 Section 33330.

7 (C) A regional blueprint plan as defined in the California
8 Regional Blueprint Planning Program administered by the
9 Business, Transportation and Housing Agency, or a regional plan
10 as defined in Section 65060.7 of the Government Code.

11 (5) For qualifying infill projects or qualifying infill areas located
12 in a redevelopment project area, meet the requirements contained
13 in subdivision (a) of Section 33413.

14 (d) In its review and ranking of applications for the award of
15 capital improvement project grants, the department shall rank the
16 affected qualifying infill projects and qualifying infill areas based
17 on the following priorities:

18 (1) Project readiness, which shall include all of the following:

19 (A) A demonstration that the project or area development can
20 complete environmental review and secure necessary entitlements
21 from the local jurisdiction within a reasonable period of time
22 following the submittal of a grant application.

23 (B) A demonstration that the eligible applicant can secure
24 sufficient funding commitments derived from sources other than
25 this part for the timely development of a qualifying infill project
26 or development of a qualifying infill area.

27 (C) A demonstration that the project or area development has
28 sufficient local support to achieve the proposed improvement.

29 (2) The depth and duration of the affordability of the housing
30 proposed for a qualifying infill project or qualifying infill area.

31 (3) The extent to which the average residential densities on the
32 parcels to be developed exceed the density standards contained in
33 paragraph (3) of subdivision (c).

34 (4) The qualifying infill project's or qualifying infill area's
35 inclusion of, or proximity or accessibility to, a transit station or
36 major transit stop.

37 (5) The proximity of housing to parks, employment or retail
38 centers, schools, or social services.

39 (6) The qualifying infill project or qualifying infill area
40 location's consistency with an adopted regional blueprint plan or

1 other adopted regional growth plan intended to foster efficient land
2 use.

3 (e) In allocating funds pursuant to this section, the department,
4 to the maximum extent feasible, shall ensure a reasonable
5 geographic distribution of funds.

6 (f) Funds awarded pursuant to this section shall supplement,
7 not supplant, other available funding.

8 (g) (1) The department shall adopt guidelines for the operation
9 of the grant program, including guidelines to ensure the tax-exempt
10 status of the bonds issued pursuant to this part, and may administer
11 the program under those guidelines.

12 (2) The guidelines shall include provisions for the reversion of
13 grant awards that are not encumbered within four years of the fiscal
14 year in which an award was made, and for the recapture of grants
15 awarded, but for which development of the related housing units
16 has not progressed in a reasonable period of time from the date of
17 the grant award, as determined by the department.

18 (3) The guidelines shall not be subject to the requirements of
19 Chapter 3.5 (commencing with Section 11340) of Division 3 of
20 Title 2 of the Government Code.

21 (h) For each fiscal year within the duration of the grant program,
22 the department shall include within the report to the Legislature,
23 required by Section 50408, information on its activities relating
24 to the grant program. The report shall include, but is not limited
25 to, the following information:

26 (1) A summary of the projects that received grants under the
27 program for each fiscal year that grants were awarded.

28 (2) The description, location, and estimated date of completion
29 for each project that received a grant award under the program.

30 (3) An update on the status of each project that received a grant
31 award under the program, and the number of housing units created
32 or facilitated by the program.

33 (i) *A local agency may petition the department for an exception*
34 *to the jurisdiction's classification pursuant to subdivisions (d) to*
35 *(f), inclusive, of Section 65583.2 of the Government Code, if the*
36 *agency believes it is unable to meet the density requirements*
37 *specified in paragraph (3) of subdivision (c). The local agency*
38 *shall submit the petition with its application and shall include the*
39 *reasons why the agency believes the exception is warranted. The*
40 *local agency shall provide information supporting the need for*

1 *the exception, including, but not limited to, any limitations that*
2 *the local agency may encounter in meeting the density requirements*
3 *specified in paragraph (3) of subdivision (c). Any exception shall*
4 *be for the purposes of this section only.*

5 SECTION 1. Section 50515 is added to the Health and Safety
6 Code, to read:

7 50515. ~~A local agency may petition the department for a~~
8 ~~jurisdiction reclassification if its classification pursuant to~~
9 ~~subdivisions (d) to (f), inclusive, of Section 65583.2 of the~~
10 ~~Government Code jeopardizes the agency's ability to meet~~
11 ~~threshold requirements for programs promoting infill development,~~
12 ~~as administered by the department. The local agency shall submit~~
13 ~~the petition with its application for the relevant program and shall~~
14 ~~include the reasons why the agency believes the classification to~~
15 ~~be in error. The agency shall also provide other information~~
16 ~~supporting the need for the classification change, including, but~~
17 ~~not limited to, any limitations that the local agency may encounter~~
18 ~~in meeting the density requirements specified in subparagraph (B)~~
19 ~~of paragraph (3) of subdivision (c) of Section 65583.2 of the~~
20 ~~Government Code.~~